

Scarlet Levertton
lia sophia Unit manager

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Dear Sir or Madam:

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as a lia sophia jewelry advisor. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell lia sophia products.

I have been a lia sophia advisor for more than 2 years. Originally, I became an advisor in my company because I felt the products were exceptional and I wanted to earn some additional income. But the truth is I wanted the products but did not have the financial means to purchase them. I am and was a stay at home mom of 2 girls 14 months apart. My family chose to have me leave my full-time position within the Insurance industry leaving earnings of \$48,000.00 + to raise my family with the values only we can provide, not a government run daycare or some stranger babysitter. Now, I am a group leader showing others how to be successful parents and support themselves thru the direct selling industry. My family is supported through my direct selling business but more importantly I can do this while giving my family the priority they deserve. The future of my family is dependent on the stability of the direct selling industry.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new advisors. lia sophia's sales kit only costs \$99.00. People buy TVs, cars, and other items that cost much more and they do not have to wait seven days. This waiting period gives the impression that there might be something wrong with the company or the compensation plan. I also think this seven-day waiting period is unnecessary, because lia sophia already has a 90% buyback policy for all products including sales kits purchased by a salesperson within the last twelve months. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about lia sophia and will then need to send in many reports to my company headquarters. The cost to me and my family in time and resources could outweigh the potential in sharing something as simple as a business opportunity. Let's give people the assumed knowledge and skills we already possess. Big brother, this is not an area that needs to be legislated with a waiting period.

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless lia sophia is found guilty. Otherwise, lia sophia and I are put at an unfair advantage even though lia sophia has done **nothing** wrong. The sad fact is any crackpot can enter into litigation(trust me my insurance background has shown this to be quite true) whether their claims are justified or not.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. My own credit card information was stolen. From now on I am much more careful in to whom I share certain information. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to lia sophia headquarters and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft. There's no opt out language. Plus the cost associated with the delivery takes away from a company's profitability and resources with maintaining an awesome product. Not to mention the perceived notion that just because someone in a certain area has a business that your business can not be successful. At one time, there were at least 5 advisors within a few mile radius of a very small population area. My town has approximately 200 people. I'm still in business and growing. It's great to be the only kid on the block but anyone can still grow their own business if determined to do so. Also not everyone is in the business of direct sales for a business. I wasn't 2 years ago - I just wasn't the advisor discount. Numbers don't always imply the information intended.

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals.

Thank you for your time in considering my comments.

Respectfully,

SCARLET LEVERTON